

BPW Advisory 2006-2 DNR-Managed Property Leases

Purpose: To delegate certain leases of, and clarify procedures for the leasing of, State-owned dwelling houses, outbuildings, and agriculture lands that are located on State parks, forests, wildlife management areas, and other Department of Natural Resources-managed properties.

Authority: Any real property of the State may be leased for a consideration the Board of Public Works decides is adequate. Section 10-305, State Finance and Procurement Article, Annotated Code of Maryland.

Previous Directive: This Advisory supersedes Leasing Policy (adopted as DGS Agenda Item 28-L [Feb. 24, 1982]).

Policy:

- I. DNR Leasing: DNR will conduct and supervise the leasing of State-owned dwelling houses, agricultural lands, and outbuildings that are located in State parks, forests, wildlife management areas, and other DNR-managed properties. In this Advisory, "lease" refers to leases defined in this paragraph.
- II. Delegation: The Board of Public Works delegates to DNR the authority to enter into and execute individual leases that are conducted as follows:
 - A. Dwelling Houses.
 1. Lease Term. DNR may lease dwelling houses as a month-to-month tenancy or for a term of five years or less.
 2. Leases to Those on Waiting List. DNR shall maintain a tenant waiting list, and shall offer available dwelling houses at market-value rent to qualified prospective tenants on the list.
 3. Market-Value Rent. DNR may lease dwelling houses at market-value rent as determined by the Department of General Services. DGS will determine market-value rent by using comparable rents from a recognized real estate listing service and other information including the property's age, condition, and amenities. For existing tenancies, DNR shall increase rents every three years, an increase that DNR may phase in by one-third each year following the increase.
 4. Competitive Bidding. DNR may, in writing, solicit competitive bids, to be submitted in writing, for the lease of dwelling houses if:
 - a. Lack of comparable rental rates prevents DGS from determining market-value rent;
 - b. No qualified prospective tenant agrees to pay the DGS-determined rent; or
 - c. The tenant waiting list has no qualified prospective tenants for the dwelling house.
 - B. Agricultural Lands and Outbuildings.
 1. Lease Term. DNR may lease agricultural lands and outbuildings for a term of five years or less.
 2. Competitive Bidding.
 - a. DNR may, in writing, solicit competitive bids, to be submitted in writing, for the lease of agricultural land and outbuildings such as barns and sheds.
 - b. If no bids are received for a specific property, DNR may subsequently lease the agricultural land or outbuilding for the:
 - Per-acre or building price (or higher) as established by the competitive bid process for similar DNR properties in the general area; or
 - County average price per-acre (or higher) as compiled by the Maryland Department of Agriculture.
 3. Landlocked parcel. Without going through the competitive bid process, DNR may lease landlocked parcels for the:
 - Per-acre price (or higher) as established by the competitive high bid process for similar DNR properties in the general area; or
 - County average price per-acre (or higher) as compiled by the Maryland Department of Agriculture.

4. Fair Hill NRMA. Without going through the competitive bid process, DNR may lease the horse paddock outbuildings at Fair Hill NRMA in Cecil County based on the current monthly rental rate with a minimum 5% annual rent increase.

- III. Control Agency Reporting of Delegated Leases: DNR shall submit to DGS a report of all leases annually. No later than 90 days after the fiscal year close, the report shall be submitted to the Board of Public Works through the Department of General Services Action Agenda.
- IV. Non-Delegated Leases: DNR must submit to the Board of Public Works for approval on the Department of General Services Action Agenda any lease that is not specifically delegated in Section II.
- V. Subleasing Only with Board Approval: All leases must prohibit the tenant from assigning or subleasing the property without prior approval from the Board of Public Works.
- VI. Tenants in State Service: If a tenant is a State employee, agent, servant, or any individual in State service and the purpose of the proposed lease is to permit the tenant to maintain a residence, the lease must be approved by the Secretary of General Services.

Questions concerning this Advisory may be addressed to:

Department of Natural Resources
Tawes State Office Building
580 Taylor Avenue
Annapolis, Maryland 21401
Fax: 410.260.8404
Toll Free: 877.620.8367

Kristin M. Saunders, Assistant Secretary

410.260.8106 ksaunders@dnr.state.md.us (<mailto:ksaunders@dnr.state.md.us>)

Jean M. Lipphard, Director Land & Property Mngmt
410.260.8433 jlipphard@dnr.state.md.us (<mailto:jlipphard@dnr.state.md.us>)